

Official Record Copy
Office of Personnel

OP MEMORANDUM NO. 20-31-53

11 December 1981

OFFICE OF PERSONNEL MEMORANDUM

SUBJECT: Salary Retention for Prevailing Rate Employees

REFERENCES: (a) Federal Personnel Manual Supplement 990-1
(b) Federal Personnel Manual Supplement 990-2
(c) Federal Personnel Manual Supplement 532-1
(d) 5 CFR Part 532
(e) Title 5, United States Code
(f) FPM Supplement 296-31
(g) GP Instruction 640-6

RESCISSION: OPM 20-31-40, 17 December 1976

1. GENERAL

- a. The Federal Wage System (FWS) is administered by the Office of Personnel Management (OPM) and is applied in CIA on the basis of administrative agreements. The Government Printing and Graphic Arts Systems are based on procedures and pay practices of the Government Printing Office and the Department of the Treasury, Bureau of Engraving and Printing, as adapted administratively by CIA. Uniform rules based on the Federal Personnel Manual (FPM) and Government Printing Office (GP) administrative instructions have been established in the Agency for all prevailing rate categories: Federal Wage System, Interdepartmental Lithographic Wage Board (a special schedule in FWS), Government Printing System, and Graphic Arts System.
- b. Position titles and grades for FWS positions are allocated by application of OPM standards for a given profession. Employees whose positions are classified under the provisions of the FWS are paid in accordance with the local area regular and special wage schedules published by the Department of Defense Wage Fixing Authority.
- c. Government Printing and Graphic Arts Systems do not have the same structure found in FWS wage schedules. Grade and step identifications have been developed for administrative convenience. The Position Management and Compensation Division (PMCD)/Office of

Personnel, establishes and adjusts Government Printing (GP) and Graphic Arts (GA) pay schedules in accordance with lead Agency pay practices, as they are applicable.

2. DEFINITIONS

- a. Saved Rate (Grade Retention) - A rate paid for two years to employees who are placed in a lower-graded position as a result of a reduction in force. When a position is reclassified at a lower grade, when a position is reclassified to a lower level in a different wage system, or when a revised wage schedule structure places the employee's position at a lower wage level. During the two-year period, the employee's grade is not reduced.
- b. Retained Rate (Pay Retention) - A rate paid without time limitation following the two-year period of Saved Rate. The Retained Rate is limited to 150 percent of the maximum rate of the grade in which the employee is placed.
- c. Highest Previous Rate - The highest rate of basic pay previously paid to a prevailing rate employee. This rate is used, without specific time limitation, when an employee requests a reassignment to a lower-graded position and an Agency official determines that the need for the services of the employee or the employee's contribution to the program of the Agency will be greater in the position to which assigned.
- d. Reduction in Force - Any reduction in force due to a reorganization, a lack of funds or curtailment of work, or any other factor.
- e. Representative Rate -
 - (1) the second rate for a position under the Federal Wage System, and
 - (2) for GP and GA, the rate the employee is currently being paid.
- f. Equivalent Rate - The nearest rate of the applicable wage schedule grade that is equivalent to the grade and rate from which the employee is converted. This is determined by selecting the lowest grade of the applicable wage schedule in which the representative

rate is equal to or exceeds the representative rate in the grade and schedule from which the employee converted.

- g. Promotion - A change of an employee while continuously employed from one grade to a higher grade under the same type wage schedule; a change to a job or grade with a higher representative rate under a different wage schedule; or a change from a job or grade paid under the General Schedule or other statutory pay schedule to a job or grade with a higher representative rate under a wage schedule.
- h. Within-Grade Increase - In GP and GA, only apprentice rates are treated as within-grade increases. Apprentice positions in the GP schedule are those with five rates and identified by title as apprentice levels. In the GA system, GAB-03 and GAE-01 are considered as apprentice trades and the five rates are used for within-grade increases.

3. GENERAL ADMINISTRATION PROCEDURES -- FWS

Pay administration for FWS (WG, WL, WS, and WI) employees is applied in accordance with the provisions of FPM Supplement 532-1.

4. GENERAL ADMINISTRATIVE PROCEDURES -- GA and GP POSITIONS

Pay administration for GP and GA employees is applied in accordance with OPM Number 20-31-43.

5. APPLICATION OF DESIGNATIONS FOR NONSTANDARD RATES

a. Saved Rate (Grade Retention) - Step "S"

- (1) Saved Rate provides for a two-year period of grade retention. While in the two-year grade retention period, an employee's actual grade is not lowered and he or she is entitled to annual comparability increases and within-grade increases.
- (2) The existing rate of pay is granted as a Saved Rate and the employee is placed in Step "S" when:
 - An employee is placed in a lower-graded position as a result of a reduction in force.
 - An employee's position is reclassified to a lower grade provided the position had been classified at the higher grade level for one year or more.

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- An employee's position is reclassified to a lower level in a different wage system.
 - An employee's position is placed at a lower wage level due to a revised wage schedule.
- (3) Grade retention ceases to apply to an employee who:
- Is reduced in grade for personal cause or at their personal request.
 - Declines a reasonable offer of a position, the grade of which is equal to or higher than the employee's saved grade.
- (4) An employee is granted a Saved Rate Step "S" by a "Pay Adjustment Action--Step Rate Change" carrying a NTE date of two years. A Saved Rate is terminated two years from the effective date of the personnel action or when the employee moves to another position.

b. Retained Rate - (Pay Retention) - Step "R"

- (1) An employee becomes eligible for a Retained Rate at the expiration of the two-year period of Saved Rate.
- (2) If the employee's rate of basic pay immediately before eligibility for Retained Rate exceeds the maximum rate of the grade, the employee should be placed in Retained Rate. The Retained Rate is limited to 150 percent of the maximum rate of the grade in which the employee is placed. During the Retained Rate period, the employee is not entitled to within-grade increases but is entitled to receive 50 percent of annual pay comparability increases. Therefore, the rate of pay for the grade and step the employee is in will eventually match the employee's Retained Rate.
- (3) If the employee's rate of basic pay immediately before the eligibility for Retained Rate is equal to or falls between two consecutive rates of the new grade, the employee shall be placed in the higher of the two rates, and Retained Rate shall not apply.

- (4) Retained Rate ceases to apply to an employee who:
- Has a break in service of one workday.
 - Is demoted for personal cause.
 - Is placed in or declines a reasonable offer of a position which has a pay rate equal to or higher than the Retained Rate.
- (5) An employee is given a Retained Rate Step "F" by a "Change to a Lower Grade" action. Because this is considered to be an adverse action, managers are required to consult with the Chief, Special Activities Staff, Office of Personnel at least one month before the proposed action is to be effected. A Retained Rate is terminated when the rate of pay for the grade and step the employee is in is equivalent to the employee's Retained Rate.



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